UNITED STATES DISTRICT COURT FOR THE DISTRICT OF RHODE ISLAND

STATE OF RHODE ISLAND, et al.,

Plaintiffs,

v.

C.A. No.:

DONALD J. TRUMP, et al.,

Defendants.

DECLARATION OF BON WIKENHEISER, EXECUTIVE DIRECTOR, OFFICE OF BUSINESS & ENTREPRENEURSHIP, UNIVERSITY OF WISCONSIN SYSTEM

Pursuant to 28 U.S.C. § 1746, I, Bon M. Wikenheiser, hereby declare as follows:

- 1. I am a resident of the State of Wisconsin. I am over the age of 18 and have personal knowledge of all the facts stated herein, except to those matters stated upon information and belief; as to those matters, I believe them to be true. If called as a witness, I could and would testify competently to the matters set forth below.
- 2. I am currently employed by the University of Wisconsin System as Executive Director of the Office of Business & Entrepreneurship (OBE).
- 3. The University of Wisconsin System is responsible for educating approximately 161,000 students each year while employing 40,000 faculty and staff at 13 universities and a statewide extension network with offices in every county. OBE helps entrepreneurs, businesses and economic development professionals in all 72 Wisconsin counties to achieve their goals through expert consulting, educational resources, technical assistance, and a dynamic statewide

network. Since 2019, OBE's work has helped create over 1,800 new businesses, served 25,900 clients, supported 89,000 jobs, and assisted in capital investment of over \$1.05 billion.

- 4. As OBE's Executive Director, I am responsible for OBE's mission—now ongoing for over 45 years—of providing technical assistance to small businesses (as defined by the U.S. Small Business Administration) and responsibly administering public and private funds to support those efforts—including funds received from the Minority Business Development Agency.
- 5. In particular, OBE offered a proposal and received a notice of award from the Minority Business Development Agency (MBDA)'s Capital Readiness Program, through which MBDA awarded a four-year cooperative agreement for activities designed to aid entrepreneurs in launching and developing businesses as authorized by § 3009(e)(2) of the Small Business Jobs Act of 2010, as amended by the American Rescue Plan Act of 2021 (ARP) (codified at 12 U.S.C. § 5708(e)(2)). OBE's project provides women entrepreneurs cohort-based technical assistance to position them to acquire capital to start and grow sustainable businesses. The OBE was one of 43 recipients selected from over 1,000 applicants to receive the MBDA Capital Readiness Program award, demonstrating our expertise in fostering entrepreneurship and economic development. Our office has established comprehensive statewide business outreach services, leveraging a diverse network of industry experts to support business growth across Wisconsin. The Project awarded is rooted in our extensive experience and proven success in serving entrepreneurs across all 72 Wisconsin counties. The Project integrates the resources of our Center for Technology Commercialization, Food Finance Institute, and Small Business Development Centers, providing tailored support across multiple sectors and industries. By aligning with MBDA's mission, our program delivers targeted training, mentorship, and access to capital, ensuring that women-owned businesses receive the strategic guidance and financial readiness they need to thrive.

- 6. In my experience, the programs within OBE are dedicated to supporting Wisconsin entrepreneurs, including a focus on advancing Minority Business Enterprises (MBEs), such as entrepreneurs in rural areas and veteran, women and minority-owned firms. Our long-standing experience allows us to provide tailored support to businesses at every stage, from startup to expansion, ensuring equitable access to resources and opportunities. We have learned that entrepreneurs working with OBE's small business technical assistance programs that are focused on targeted, customized approaches to address specific populations result in increased business growth, hiring and wealth within those communities.
- 7. OBE serves over 9000 entrepreneurs annually, providing one-on-one consultation and training using online, on-demand and in-person methodologies. OBE collects participant and client data, which, along with relevant economic and business research, informs technical assistance service array and drives improvement. OBE routinely collaborates with federal, state and local entities interested in addressing small business needs, including the MBDA.
- 8. In 2024 alone, OBE provided over 23,000 hours of confidential, one-on-one consultation and delivered over 250 training events to entrepreneurs in all 72 counties across the state. Clients receiving these services verified that the work done with OBE contributed to their success; they started 325 new businesses and acquired over \$185M in capital for their ventures.
- 9. Our work spans a diverse range of industries, including agriculture, transportation, manufacturing, professional services, and management. We actively seek out and engage small businesses in every sector, including MBEs, providing them with the expertise, financial readiness, and strategic support they need to thrive. By working alongside business owners, we not only offer critical resources but also celebrate their achievements, reinforcing our mission to drive inclusive economic growth across Wisconsin.

- 10. I submit this declaration in connection with Executive Order 14,238, "Continuing the Reduction of the Federal Bureaucracy," which directed seven federal agencies, including the Minority Business Development Agency (MBDA), to eliminate any non-statutory components and functions to the maximum extent consistent with applicable law, and to reduce the performance of any statutory functions and associate personnel to the minimum presence and function required by law.
- 11. The MBDA is the primary federal agency tasked to assist Minority Business Enterprises (MBEs) in overcoming the history of social and economic disadvantage that has limited their participation in America's economy.
- 12. Pursuant to an agreement with the MBDA, OBE operates an MBDA Capital Readiness Program titled the "Advancing Capital Readiness Among Women-Owned Businesses Through Integrated Curriculum, Community and Connections" project (the Project).
- 13. The Project provides women cohort-based technical assistance to start and grow sustainable businesses. Programming includes customer-defined services, integrated curriculum, consulting and resource networks designed to empower participants to acquire the capital appropriate for their businesses. A primary focus is customer engagement listening sessions to help craft integrated curriculum paths for capital access that meets women-owned business needs, including access to on-demand training, streamlined online/offline technical assistance with competency-based tools, and facilitated access to networks and resources. The service delivery model combines hybrid online/offline experiences providing self-paced learning targeting competencies for early-state and emerging companies, integrating guided checkpoints, and access to subject matter experts for starting, scaling, innovating and targeting appropriate capital. The services provided by the Project include two customized research studies to determine the barriers

#: 793

entrepreneurs face accessing capital. Using study results which identified factors contributing to the capital disparity faced by women entrepreneurs, the Project developed comprehensive, customized financial literacy curriculum for early-stage, growth state, food/farm/agriculture and technology cohort accelerators. The Project provides personal finance reviews, business planning information and tools for entrepreneurs to use between sessions, online and on-demand webinars and podcasts on key business topics, in addition to one-on-one consultations. Participants work with subject matter experts and CPA-led student teams to assess their capital readiness, create plans to improve their financial health, discuss debt ratios and create proforma statements supported by industry-specific ratios. Participants are provided with additional workshops on business plan writing and related topics to enhance their understanding of business practices. The Project introduces participants to a network of support resources to address the unique needs of their business. Participants also receive a monthly newsletter and social media content to maintain engagement, announce additional resources, and foster a sense of community for women entrepreneurs.

14. In providing those services, the Project is assisted by the MBDA's provision of a \$3,000,000 investment over four years, with services beginning September 1, 2023, and ending August 31, 2027. The MBDA funds critical costs allowable and attributable to the Project including research and development, key personnel, management expenses including a Client Relationship Management (CRM) system for data collection, and access to specialized experts, students and staff who provide targeted guidance in crucial business areas. MBDA funding also enhances our capacity to offer women's leadership training, personal finance development, and overall program compliance. These resources, combined with OBE's extensive network of

Wisconsin stakeholders and economic development organizations, ensure that women-owned businesses receive the strategic support necessary for sustainable growth.

- 15. In my opinion, the MBDA's services outlined above are critical for the development of Women-owned Businesses Enterprises in Wisconsin because data validates the need for dedicated curriculum and services for women seeking capital. Small businesses in rural areas and those owned by women were disproportionately impacted by the Covid-19 pandemic, based on research conducted by federal agencies. Wisconsin women entrepreneurs comprise over 41% of the state's small businesses, according to the US Census Bureau. Yet, women-owned firms report receiving fewer investments and less capital for their ventures than other groups, according to our internal data. When women-owned enterprises are funded, they receive less than half of the average amount acquired by other clients we serve. The Project addresses pressing issues faced by women entrepreneurs. Information provided by the agency identified capital access disparities such as limited access to venture and angel investments compared to coastal areas, and difficulty in meeting traditional lending requirements due to credit or collateral issues. Geographic barriers rural entrepreneurs faced included fewer opportunities for networking and access to services, compounded by the limited access to high-speed internet in some areas. Knowledge gaps such as the lack of formal business training and difficulty navigating complex regulatory and financial compliance issues are cited. The Project also aims to improve communication with and between participants post accelerator completion, coordination within the ecosystem of entrepreneurial support organizations, and collect verifiable results of the project.
- 16. In 2023, OBE received its cooperative agreement in the amount of \$3 million to operate the Project.

- 17. OBE's budget for this year has relied on this funding, and we made plans and allocated funding, and offset other funding for delivering this customized technical assistance designed for women seeking capital to grow their business enterprises. Specifically, the Project funding covers the allocable and attributable costs of research, cohort development, subject matter experts, student employees, ten-week accelerator programs in Early, Growth, Technology, Food/Agriculture pathways, webinar and podcast production costs, Small Business Clinic participation and marketing costs, data collection, compliance and management expenses, based on the anticipated receipt of the promised funding.
- 18. As future funding opportunities are presented, OBE will continue to submit proposals for technical assistance projects deemed priorities by federal, state and local entities and private sector partners, including MBDA. The Universities of Wisconsin have a long history of responsible management of public funds, have a statewide reach and are home to significant subject matter expertise necessary to address emerging small business needs. OBE builds its proposals using relevant data indicating needs and its experience administering technical assistance programs such as the Project funded by MBDA. Projects funded are often leveraged with private and public sector investments; all of these funding sources are critical to enhancing project effectiveness and reach. Without the on-going support of funding partners, OBE would cease services for the participants of this program.
- 19. Any pause in funding would hamper our ability to provide these vital services. Should the Project be terminated, accelerator cohorts, training sessions, participation in Small Business Clinics and consultation funded by the Project would be cancelled. Students and staff employed to assist participants served by the Project would be terminated.

- 20. In the next month, we are scheduled to receive reimbursements of \$45,913.07 under our current award. OBE has \$117,706.23 in planned encumbrances on this award and has a \$2,305,705.85 balance available for draw on the award as of March 31, 2025. All funds available on this award are allocated and will be spent by August 31, 2027.
- 21. The next disbursement request will be transmitted to MBDA by April 15, 2025, and OBE expects payment by April 30, 2025, to compensate for services already provided. If we do not receive such disbursements/reimbursements, it will necessitate OBE's expending of program revenue to cover the cost of services already provided, causing undue harm to our department's ability to continue providing technical assistance, some of which are in partnership with other entities. If we do not receive the disbursement as scheduled, we will not be able to pay students or independent contractors working with small businesses on their financial projections, financial health and business plans, pay subject matter experts to consult with companies enrolled in the accelerators, and staff assigned to activities allocable to the Project, such as the creation of online content, business operations, and communications.
- 22. Should the Project be cancelled, women entrepreneurs in the state who have demonstrated the ability, need and desire to start, grow and access capital for their businesses will be unduly harmed. To be eligible for services provided by the Project, women entrepreneurs applied and completed an interview with a consultant to demonstrate ability, viability of their venture and dedication to participate prior to being enrolled in the accelerators. Their efforts to access the information and training they need will be in vain. Staff and participants will cease Project-sponsored activity, resulting in loss of momentum, unrealized plans, learning and outcomes, and wasted effort. All preparation executed to complete the customized curricula and

proforma templates, identify and brief the subject matter experts, recruit and train students to work with the businesses, and program assessment tools will be wasted.

- 23. If the MBDA does not continue the cooperative agreement as awarded, OBE will cancel any upcoming training and accelerator services for participants already enrolled and expecting these services. Currently 270 women entrepreneurs are involved in the Project's programs and three accelerator cohorts are in session. We will inform our private sector partners of the cancelled services, cease development of on-line content and discontinue communications and resources funded by the Project. Contracts with subject matter experts, independent contractors, businesses and organizations funded by the Project will be terminated. Students and staff positions assigned to delivering services directly to women entrepreneurs and compliance will be eliminated. The extensive plan to build the program will not be fully implemented, the learning and resources available to entrepreneurs will be diminished, and the data collection associated with results of the Project will be lost.
- 24. If the MBDA ceased to function in a meaningful way, in my opinion, it would be detrimental to small businesses, including women-owned businesses, and entrepreneurs in rural areas. These businesses rely on valuable resources designed to enhance their competitiveness, secure capital, and access essential expertise for their success. The strength of the state's economy relies on small businesses, which not only create jobs and foster a sense of community, but also drive innovation by testing new technologies and approaches to the market. MBDA addresses specific needs that have hinder full participation in the small business ecosystem. By providing smart, data-based focus on identified needs, MBDA effectively targets service gaps, ensuring that technical assistance is both impactful and measurable, rather than adopting a broad-based approach without specific focus.

25. Further, Project work is not done in a vacuum. In addition to federal investments, the Project includes collaborations with other public and private entities interested in growing women-owned businesses. For instance, private lending organizations offer expertise in personal finance and lender readiness. Indepdendent contractors provide technical assistance to entrepreneurs and provide services to the Project. State regulatory agencies consult with participants regarding state regulation, tax issues and business formation. Students work directly with the businesses, enhancing their real-world work experience and introducing them to potential employers. These partnership investments are critically linked to the Project. Therefore, the collapse of Project support from MBDA would have devastating, rippling effects across Wisconsin. Without this program, access to essential business planning tools and consulting services will be lost, along with the significant efforts invested by women entrepreneurs.

I declare under penalty of perjury under the laws of the United States that, to the best of my knowledge, the foregoing is true and correct.

Executed on April 3rd, 2025, at Madison, Wisconsin.

Bon M. Wikenheiser

Bon M. Stikenheiser